Excise duty on toilet soaps

3330. SHRI GOPALSINH G. SOLANKI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the toilet soap industry is allowed liberal Money Credit towards excise duty for using minor oils in the manufacture of toilet soaps;

(b) if so, whether Government's machinery is reliable enough to check whether minor oils are actually used in the manufacture of toilet soaps at all.

(c) whether Government are aware that the benefit of the Money Credit Scheme for using minor oils in the manufacture of toilet soaps is enjoyed exclusively by the multinational companies who alone have the capacity for refining minor oil;

(d) how many KVIC or small scale units which are engaged in the manufacture of toilet soaps, enjoy benefit from the Money Credit Scheme;

(e) whether Government are aware that this scheme has served to subsidise only the production of premium toilet soaps by multinational companies even without using minor oil for producing toilet soaps; and

(f) whether Government will consider discontinuance of this Scheme which has given scope to multinational companies to avail of unreserved subsidy in view of the liberalised import?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Notification No. 46/89-CE (NT) dated 11-10-89, as amended provides for credit of specified amount of duty on minor oils if the same have been used for the manufacture of soap. The field units are under instructions to carry out, in respect of the use of minor oils in the manufacture of toilet soaps, regular PBC checks, to check statutory records required to be maintained as various stages of production, to verify monthly returns required to be submitted to the Department and also to undertake periodical surprise checks and special audit, etc.

(c) to (e) They Money Credit Scheme is applicable to all toilet soaps manufacturers whether they conduct the process of hydrogination/hydrolysis inside their factory or whether they got it done from outside on job work basis. As regards the KVIC units, they become eligible for availing the benefit of Money Credit Scheme after paying duty on soap manufactured by them.

(f) The money Credit Scheme is intended to encourage maximum extraction of minor oils, specifically of edible grade, and to induce their use in the manufacture of toilet soaps as well as the vegetable oils. As the Scheme enables small scale units also to avail of the benefits, there is, at present, no intention to withdraw the same.

Customs duty on import of tyres

3331. Will the Minister of FINANCE be pleased to state:

(a) whether Government have been requested to allow imports of tyres at a customs duty of 25 per cent;

(b) if so, the details thereof with source of such requests;

(c) whether after reduction in customs duty of imported types, the same will compete with domestic type manufacturers;

(d) whether Government propose to consider these requests;

(e) if so, details there of and if not, the reasons therefor;